

Emergency Unemployment Compensation



**JOINT LEGISLATIVE OVERSIGHT
COMMITTEE ON UNEMPLOYMENT
INSURANCE**

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RESEARCH DIVISION**

Overview of Presentation



Emergency Unemployment Compensation Extension Act

- S. 1845 PCS, 113th Congress, 1st Session
- Cindy Avrette
 - Brief description of bill
- Doug Holmes
 - Political and procedural insights
 - Administrative considerations
 - Costs of implementation

Overview of Benefit Duration

- Benefit duration prior to July 2008
- Benefit duration July 2013
- Temporary federal benefit changes
 - Extended Benefits
 - EUCo8

Emergency Unemployment Compensation Extension Act



- Section 1 is the title
- Section 2 re: EUC
 - Extend April 1, 2014
 - 14 weeks available to all states
 - Up to 33 weeks available if TUR above stated percentages
 - NC has not received EUC since July 2013
 - ✦ Agreement terminated
 - ✦ Nonreduction rule
- Section 3 re: Extended Benefits
 - Extend March 31, 2014
 - 100% funding, including payment for non-compensated waiting week
 - Three-year look back
- Section 4 re: funding for reemployment services
- Section 5 re: RR UC
- Section 6 re: Grandfather provision

Section 6 of S. 1845 PCS



- *Flexibility for unemployment program agreements*
 - [Nonreduction rule] does not apply with respect to a state that has enacted a law before December 1, 2013, that, upon taking effect, would violate the nonreduction rule
 - Nothing precludes a State whose agreement was terminated from entering into a subsequent agreement
- NC is only state whose agreement to receive EUCo8 has been terminated
- Applicable with respect to weeks of unemployment beginning on or after December 29, 2013
 - How many additional weeks would claimants in NC be able to receive?
 - Weekly determination
 - NC unemployment rate for October 2013, 8%

Doug Holmes



PRESIDENT

**UWC – STRATEGIC SERVICES ON
UNEMPLOYMENT & WORKERS’
COMPENSATION**

WASHINGTON, DC

UI Benefits in NC prior to June 2008



Regular Benefits

- 26 weeks
- 100% SUTA funded

Extended Benefits

- Triggered by high unemployment
- Required trigger
 - Unemployment rate > 2-year average
 - Duration = 50% of regular benefits
- Optional triggers
 - High unemployment
 - Up to 20 additional weeks
 - 50%/50% funded by feds & State

UI Benefits in NC Today



Regular Benefits

- Changed duration of regular benefits
 - Sliding Scale: January 1 & July 1
 - 20 weeks if unemployment rate > 9%
- Changed method of computing weekly benefit amount (WBA)

Extended Benefits

- Required trigger unchanged
- Duration = 50% of regular benefits
 - Reduction in regular weeks of UC also reduces duration of extended benefits
- Eliminated optional triggers unless 100% federally funded
- NC triggered “off” EB in May 2012

Congressional Actions since 2008



Extended Benefits

- 100% federally funded
- Optional trigger of “three-year look back” for mandatory extended benefits
- Requires legislative action to change law re: optional three-year look back

Emergency Unemployment Compensation (EUCo8)

- 100% federally funded
- Four tiers of benefits
 - Up to 47 additional weeks of benefits
 - Tier 1 (14 weeks) available to all states; Tiers 2 - 4 based upon high TUR
- States elect to participate through agreements with Secretary of US DOL
 - Nonreduction rule – Cannot modify method of computing regular weekly benefit amount (WBA) in a way that mathematically results in a WBA lower than it would have been June 2, 2010
- US DOL terminated agreement with NC, effective July 1, 2013, because NC changed the computation of the WBA in violation of the nonreduction rule

Illustration of Benefit Duration in NC

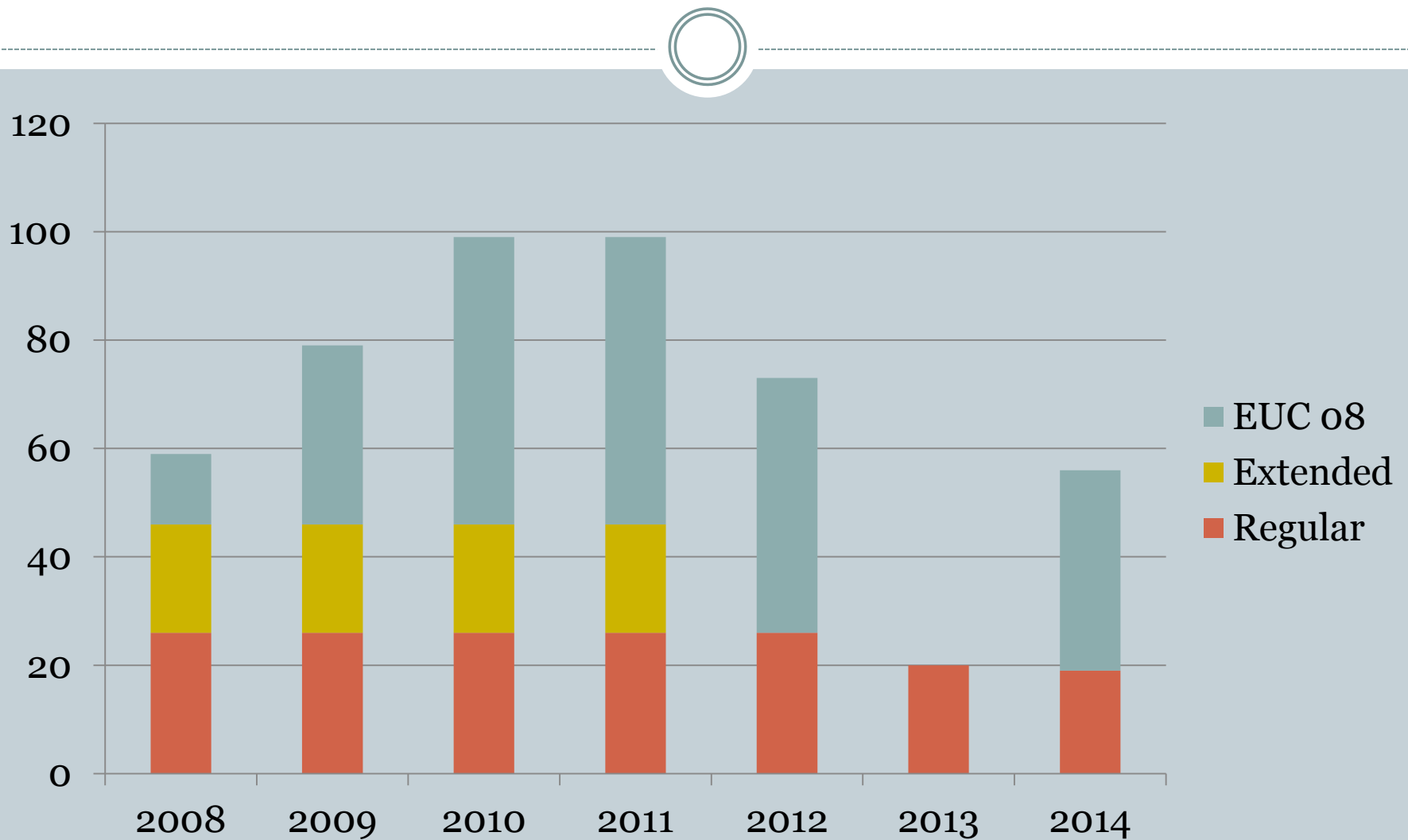


Chart is for illustrative purposes only.